

ASSEMBLY BILL NO. 127—COMMITTEE ON HEALTH  
AND HUMAN SERVICES

(ON BEHALF OF THE TASK FORCE FOR THE FUND  
FOR A HEALTHY NEVADA)

FEBRUARY 24, 2005

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Referred to Committee on Health and Human Services

**SUMMARY**—Provides subsidies from Fund for a Healthy Nevada for coverage of certain additional benefits, including dental and vision benefits, for certain senior citizens. (BDR 40-714)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to public health; providing subsidies from the Fund for a Healthy Nevada for the coverage of certain additional benefits, including dental and vision benefits, within the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the Department of Human Resources to provide subsidies from the Fund for a Healthy Nevada to pay for prescription drugs and pharmaceutical services for senior citizens. (NRS 439.630) The Fund is created from money received by the State from the settlement of litigation and judgments in civil actions with tobacco manufacturers. (NRS 439.620) Existing law further authorizes the Department to enter into contracts with private health insurers to arrange for the availability of health insurance policies for prescription drugs and pharmaceutical services for senior citizens. (NRS 439.665)

This bill expands those provisions to include certain additional benefits, including dental and vision benefits, to the extent that money is available to pay for such additional benefits. Thus, this bill authorizes the Department of Human Resources to enter into contracts with private health insurers to provide coverage for the additional benefits, including dental and vision benefits, for senior citizens



\* A B 1 2 7 R 1 \*

14 under certain circumstances. In addition, money deposited in the Fund for a  
15 Healthy Nevada may be used to subsidize those benefits.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** NRS 439.600 is hereby amended to read as follows:  
2     439.600 1. The Legislature hereby declares that its priorities  
3 in expending the proceeds to the State of Nevada from settlement  
4 agreements with and civil actions against manufacturers of tobacco  
5 products are:

6     (a) To increase the number of Nevada students who attend and  
7 graduate from Nevada institutions of higher education; and

8     (b) To assist Nevada residents in obtaining and maintaining  
9 good health.

10 2. To further these priorities, the Legislature hereby declares  
11 that it is in the best interest of the residents of this State that all  
12 money received by the State of Nevada pursuant to any settlement  
13 entered into by the State of Nevada and a manufacturer of tobacco  
14 products and all money recovered by the State of Nevada from a  
15 judgment in a civil action against a manufacturer of tobacco  
16 products be dedicated solely toward the achievement of the  
17 following goals:

18     (a) Increasing the number of Nevada residents who enroll in and  
19 attend a university, college or community college in the State of  
20 Nevada;

21     (b) Reducing and preventing the use of tobacco products,  
22 alcohol and illegal drugs, especially by children;

23     (c) Expanding the availability of health insurance and health  
24 care for children and adults in this State, especially for children and  
25 for adults with disabilities;

26     (d) Assisting senior citizens who have modest incomes in  
27 purchasing prescription drugs , *pharmaceutical services and, to the*  
28 *extent money is available, other services, including, without*  
29 *limitation, dental and vision services*, and assisting those senior  
30 citizens in meeting their needs related to health care, home care,  
31 respite care and their ability to live independent of institutional care;  
32 and

33     (e) Promoting the general health of all residents of the State of  
34 Nevada.

35     **Sec. 2.** NRS 439.630 is hereby amended to read as follows:

36     439.630 1. The Task Force for the Fund for a Healthy  
37 Nevada shall:



1 (a) Conduct public hearings to accept public testimony from a  
2 wide variety of sources and perspectives regarding existing or  
3 proposed programs that:

4 (1) Promote public health;

5 (2) Improve health services for children, senior citizens and  
6 persons with disabilities;

7 (3) Reduce or prevent the use of tobacco;

8 (4) Reduce or prevent the abuse of and addiction to alcohol  
9 and drugs; and

10 (5) Offer other general or specific information on health care  
11 in this State.

12 (b) Establish a process to evaluate the health and health needs of  
13 the residents of this State and a system to rank the health problems  
14 of the residents of this State, including, without limitation, the  
15 specific health problems that are endemic to urban and rural  
16 communities.

17 (c) Reserve not more than 30 percent of all revenues deposited  
18 in the Fund for a Healthy Nevada each year for direct expenditure  
19 by the Department to pay for prescription drugs , ~~and~~  
20 pharmaceutical services *and, to the extent money is available, other*  
21 *benefits, including, without limitation, dental and vision benefits*  
22 for senior citizens pursuant to NRS 439.635 to 439.690, inclusive,  
23 and to fund in whole or in part any program established pursuant to  
24 NRS 422.274 or 422.2745. From the money reserved to the  
25 Department pursuant to this paragraph, the Department may  
26 subsidize all of the cost of policies of health insurance that provide  
27 coverage to senior citizens for prescription drugs , ~~and~~  
28 pharmaceutical services *and, to the extent money is available, other*  
29 *benefits, including, without limitation, dental and vision benefits*  
30 pursuant to NRS 439.635 to 439.690, inclusive, and fund in whole  
31 or in part any program established pursuant to NRS 422.274 or  
32 422.2745. The Department shall consider recommendations from  
33 the Task Force for the Fund for a Healthy Nevada in carrying out  
34 the provisions of NRS 439.635 to 439.690, inclusive, and  
35 administering any program established pursuant to NRS 422.274 or  
36 422.2745. The Department shall submit a quarterly report to the  
37 Governor, the Task Force for the Fund for a Healthy Nevada and the  
38 Interim Finance Committee regarding the general manner in which  
39 expenditures have been made pursuant to this paragraph and the  
40 status of the program.

41 (d) Reserve not more than 30 percent of all revenues deposited  
42 in the Fund for a Healthy Nevada each year for allocation by the  
43 Aging Services Division of the Department in the form of grants for



1 existing or new programs that assist senior citizens with independent  
2 living, including, without limitation, programs that provide:

- 3 (1) Respite care or relief of family caretakers;
- 4 (2) Transportation to new or existing services to assist senior  
5 citizens in living independently; and
- 6 (3) Care in the home which allows senior citizens to remain  
7 at home instead of in institutional care.

8 ➔ The Aging Services Division of the Department shall consider  
9 recommendations from the Task Force for the Fund for a Healthy  
10 Nevada concerning the independent living needs of senior citizens.

11 (e) Allocate, by contract or grant, for expenditure not more than  
12 20 percent of all revenues deposited in the Fund for a Healthy  
13 Nevada each year for programs that prevent, reduce or treat the use  
14 of tobacco and the consequences of the use of tobacco.

15 (f) Allocate, by contract or grant, for expenditure not more than  
16 10 percent of all revenues deposited in the Fund for a Healthy  
17 Nevada each year for programs that improve health services for  
18 children.

19 (g) Allocate, by contract or grant, for expenditure not more than  
20 7.5 percent of all revenues deposited in the Fund for a Healthy  
21 Nevada each year for programs that improve the health and well-  
22 being of persons with disabilities. In making allocations pursuant to  
23 this paragraph, the Task Force shall, to the extent practicable,  
24 allocate the money evenly among the following three types of  
25 programs:

26 (1) Programs that provide respite for persons caring for  
27 persons with disabilities;

28 (2) Programs that provide positive behavioral supports to  
29 persons with disabilities; and

30 (3) Programs that assist persons with disabilities to live  
31 safely and independently in their communities outside of an  
32 institutional setting.

33 (h) Reserve not more than 2.5 percent of all revenues deposited  
34 in the Fund for a Healthy Nevada each year for direct expenditure  
35 by the Department to fund in whole or in part any program  
36 established pursuant to NRS 422.2745. The Department shall  
37 consider recommendations from the Task Force for the Fund for a  
38 Healthy Nevada in administering any program established pursuant  
39 to NRS 422.2745.

40 (i) Maximize expenditures through local, federal and private  
41 matching contributions.

42 (j) Ensure that any money expended from the Fund for a  
43 Healthy Nevada will not be used to supplant existing methods of  
44 funding that are available to public agencies.



(k) Develop policies and procedures for the administration and distribution of contracts, grants and other expenditures to state agencies, political subdivisions of this State, nonprofit organizations, universities and community colleges. A condition of any such contract or grant must be that not more than 8 percent of the contract or grant may be used for administrative expenses or other indirect costs. The procedures must require at least one competitive round of requests for proposals per biennium.

(l) To make the allocations required by paragraphs (e), (f) and (g):

- (1) Prioritize and quantify the needs for these programs;
- (2) Develop, solicit and accept applications for allocations;
- (3) Conduct annual evaluations of programs to which allocations have been awarded; and
- (4) Submit annual reports concerning the programs to the Governor and the Interim Finance Committee.

(m) Transmit a report of all findings, recommendations and expenditures to the Governor and each regular session of the Legislature.

2. The Task Force may take such other actions as are necessary to carry out its duties.

3. The Department shall take all actions necessary to ensure that all allocations for expenditures made by the Task Force are carried out as directed by the Task Force.

4. To make the allocations required by paragraph (d) of subsection 1, the Aging Services Division of the Department shall:

(a) Prioritize and quantify the needs of senior citizens for these programs;

(b) Develop, solicit and accept grant applications for allocations;

(c) As appropriate, expand or augment existing state programs for senior citizens upon approval of the Interim Finance Committee;

(d) Award grants or other allocations;

(e) Conduct annual evaluations of programs to which grants or other allocations have been awarded; and

(f) Submit annual reports concerning the grant program to the Governor and the Interim Finance Committee.

5. The Aging Services Division of the Department shall submit each proposed grant which would be used to expand or augment an existing state program to the Interim Finance Committee for approval before the grant is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money. The Aging Services Division of the Department shall not expend or transfer any money allocated to the Aging Services Division pursuant to this section to subsidize any portion of the cost of



1 policies of health insurance that provide coverage to senior citizens  
2 for prescription drugs and pharmaceutical services pursuant to NRS  
3 439.635 to 439.690, inclusive, or to pay for any program established  
4 pursuant to NRS 422.274 or 422.2745.

5 6. The Department, on behalf of the Task Force, shall submit  
6 each allocation proposed pursuant to paragraph (e), (f) or (g) of  
7 subsection 1 which would be used to expand or augment an existing  
8 state program to the Interim Finance Committee for approval before  
9 the contract or grant is awarded. The request for approval must  
10 include a description of the proposed use of the money and the  
11 person or entity that would be authorized to expend the money.

12 **Sec. 3.** NRS 439.665 is hereby amended to read as follows:

13 439.665 1. The Department may enter into contracts with  
14 private insurers who transact health insurance in this State to  
15 arrange for the availability, at a reasonable cost, of policies of health  
16 insurance that provide coverage to senior citizens for prescription  
17 drugs , ~~and~~ pharmaceutical services ~~[-]~~ *and, to the extent money is*  
18 *available, other benefits, including, without limitation, dental and*  
19 *vision benefits.*

20 2. Within the limits of the money available for this purpose in  
21 the Fund for a Healthy Nevada, a senior citizen who is not eligible  
22 for Medicaid and who is eligible for a policy of health insurance that  
23 is made available pursuant to subsection 1 is entitled to an annual  
24 grant from the Fund to subsidize the cost of that insurance,  
25 including premiums and deductibles, if he has been domiciled in this  
26 State for at least 1 year immediately preceding the date of his  
27 application and:

28 (a) If the senior citizen is single, his income is not over \$21,500;  
29 or

30 (b) If the senior citizen is married, his household income is not  
31 over \$28,660.

32 ➡ The monetary amounts set forth in this subsection must be  
33 adjusted for each fiscal year by adding to each amount the product  
34 of the amount shown multiplied by the percentage increase in the  
35 Consumer Price Index from December 2002 to the December  
36 preceding the fiscal year for which the adjustment is calculated.

37 3. The subsidy granted pursuant to this section must not exceed  
38 the annual cost of insurance that ~~provides coverage for prescription~~  
39 ~~drugs and pharmaceutical services,[-]~~ *is made available pursuant to*  
40 *subsection 1*, including premiums and deductibles.

41 4. A policy of health insurance that is made available pursuant  
42 to subsection 1 must provide for:

43 (a) A copayment of not more than \$10 per prescription drug or  
44 pharmaceutical service that is generic as set forth in the formulary of  
45 the insurer; and



(b) A copayment of not more than \$25 per prescription drug or pharmaceutical service that is preferred as set forth in the formulary of the insurer.

5. The Department may waive the eligibility requirement set forth in subsection 2 regarding household income upon written request of the applicant or enrollee based on one or more of the following circumstances:

(a) Illness;

(b) Disability; or

(c) Extreme financial hardship, when considering the current financial circumstances of the applicant or enrollee.

➔ An applicant or enrollee who requests such a waiver shall include with that request all medical and financial documents that support his request.

6. If the Federal Government provides any coverage ~~for~~ ~~prescription~~ ~~for~~:

(a) *Prescription* drugs and pharmaceutical services ; or

(b) *Other benefits, including, without limitation, dental or vision benefits,*

➔ for senior citizens who are eligible for a subsidy pursuant to subsections 1 to 5, inclusive, the Department may, upon approval of the Legislature, or the Interim Finance Committee if the Legislature is not in session, change any program established pursuant to NRS 439.635 to 439.690, inclusive, and otherwise provide assistance with prescription drugs , ~~and~~ pharmaceutical services *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits* for senior citizens within the limits of the money available for this purpose in the Fund for a Healthy Nevada.

7. The provisions of subsections 1 to 5, inclusive, do not apply ~~if~~ ~~to the extent that~~ the Department provides assistance ~~with~~ ~~prescription drugs and pharmaceutical services~~ for senior citizens pursuant to subsection 6.

**Sec. 4.** This act becomes effective on July 1, 2005.



